

# CALIFORNIA HIGH-SPEED RAIL: PROGRAM DELIVERY SUPPORT CONTRACT

Program Delivery Support Services Procurement  
Pre-Bid

March 3, 2022



# WELCOME

- **Pre-Bid: 11:00 a.m. – 12:00 p.m.**
- **Break: 12:00 p.m. – 1:00 p.m.**
- **Small Business Workshop: 1:00 p.m. – 2:30 p.m.**
  - Informational workshop hosted by the Authority's Small Business Team
    - A detailed overview of the Small Business Program
    - Information on Small Business Compliance
    - A certification workshop with the Department of General Services and the Department of Transportation
    - A Small Business Q & A session
  - Access SB Workshop via this same Zoom link



# PRE-BID AGENDA

- **HSR Project Overview**

- » Brian Annis, Chief Financial Officer

- **Small Business Program Overview**

- » Catrina Blair, MBA, Chief of Process & Program Development Branch

- **Procurement Overview**

- » Darin Kishiyama, Director of Contract Management

- **Organizational Conflict of Interest Policy**

- Tawnya Southern, Attorney IV, California High-Speed Rail Authority's Legal Office



# PROCUREMENT PROCESS DETAILS

- **Program Delivery Support Contract Webpage**

- » <https://hsr.ca.gov/business-opportunities/contractors/program-delivery-support/>

- » Or by going to: [hsr.ca.gov](https://hsr.ca.gov) > Business Opportunities > Program Delivery Support

- » Will Include Materials from Industry Forum (8/21) and Pre-Bid (3/22)

- Presentation PowerPoints
- Event Videos
- Event Registrant Lists
- Responses to Questions from Industry Forum
- RFQ Updates

- **Submit questions to [PDS@hsr.ca.gov](mailto:PDS@hsr.ca.gov)**

- **Questions due by Thursday, March 24**



# HOW TO ASK A QUESTION

- **PDS Procurement Questions submitted by Thursday, March 24:**

» [PDS@hsr.ca.gov](mailto:PDS@hsr.ca.gov)

- **Small Business Program Questions:**

» [SBAAdvocate@hsr.ca.gov](mailto:SBAAdvocate@hsr.ca.gov)

- **Organizational Conflict of Interest Questions:**

» [Legal@hsr.ca.gov](mailto:Legal@hsr.ca.gov)



# CALIFORNIA HIGH-SPEED RAIL: PROGRAM DELIVERY SUPPORT CONTRACT

HSR Project Overview

Brian Annis

Chief Financial Officer



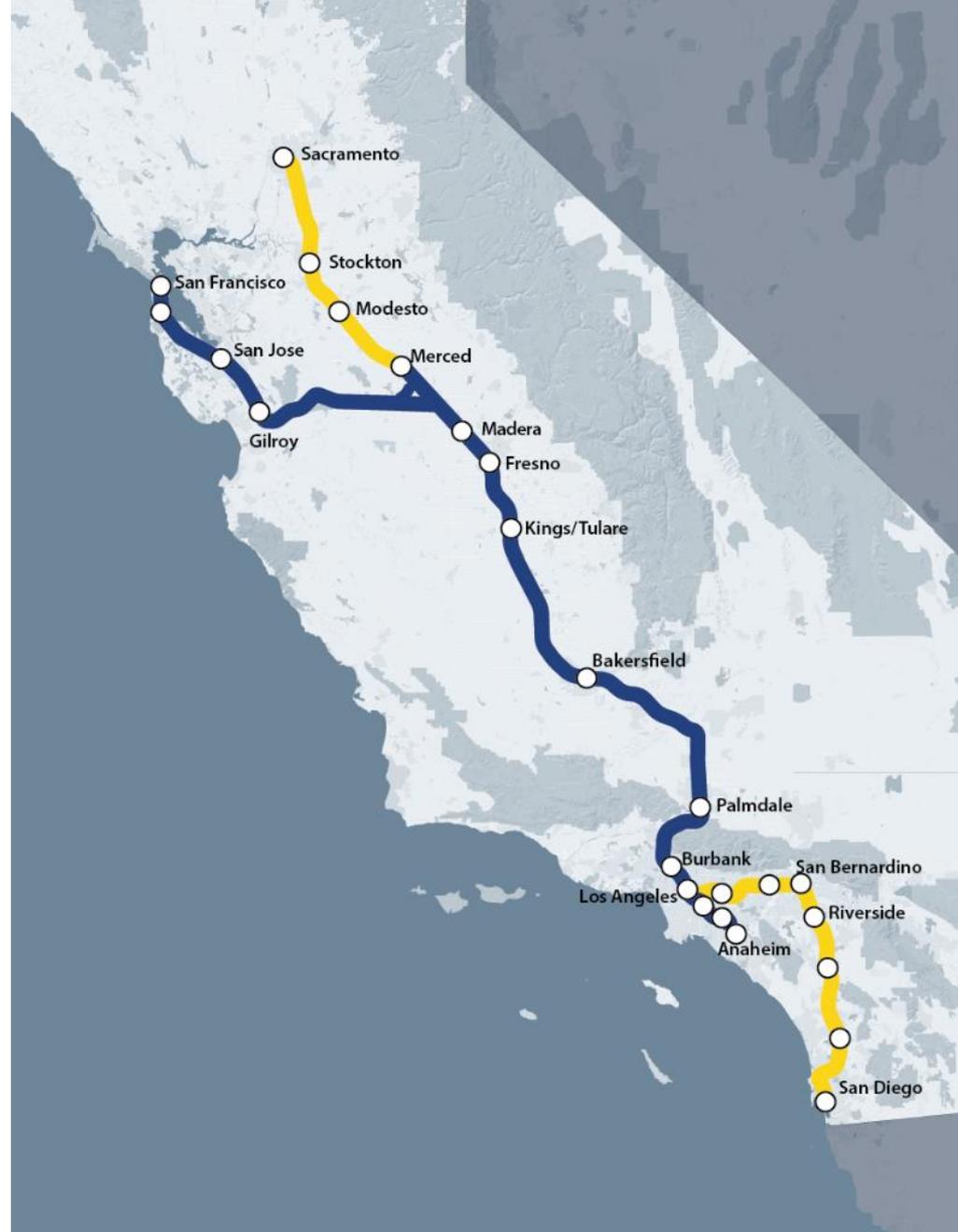
# MISSION

## CALIFORNIA HIGH-SPEED RAIL

- » To initiate the construction of a high-speed train system that utilizes an alignment and technology capable of sustained speeds of 200 miles per hour or greater.

### Three principles guide our decisions:

1. Initiate high-speed rail service in California as soon as possible.
2. Make strategic, concurrent investments that will be linked over time and provide mobility, economic and environmental benefits at the earliest possible time.
3. Position ourselves to construct additional segments as funding becomes available.



# CONNECTING CALIFORNIA

## PROGRAM HIGHLIGHTS

### Phase 1

- 520 Miles
- San Francisco to Los Angeles/Anaheim

### Phase 2

- After Phase 1 - Extends 300 Miles
- Connections to Sacramento and San Diego

Travels at approximately **200 mph**

Up to **24 Stations**



# BUILDING BLOCK APPROACH

## PROJECTS UNDERWAY

### Today:

- » 119 Miles Under Construction
- » Environmentally Clearing Full 500 Miles Between SF and LA – Approximately 300 Miles Cleared
- » Bookend Projects:
  - Caltrain Electrification
  - LAUS Improvements
  - Grade Separations
- » Station Planning
- » MOU with Brightline West



# PROGRAM UPDATE

## HIGHLIGHTS

- **7,400+ Construction Jobs Created Since Construction Began**
  - » 1,000+ Construction Workers Dispatched to Sites Daily
  - » 34 Active Construction Sites
- **655 Small Businesses Employed**
  - » 213 are Disadvantaged Business Enterprises
  - » 76 Disabled Veteran Business Enterprises
- **CA High-Speed Rail will be 100% Electric Run on Renewable Energy**
  - » Currently Using Tier IV Equipment
  - » Will Reduce VMT by taking 400k cars off the road annually



# ENVIRONMENTAL WORK ADVANCING

## SCHEDULE FOR RECORDS OF DECISION

Project Section	Draft EIR/EIS	Projected ROD Date
Bakersfield to Palmdale	Complete (February 2020)	Complete (August 2021)
Burbank to Los Angeles	Complete (May 2020)	Complete (January 2022)
San José to Merced	Complete (April 2020)	Q2 2022
San Francisco to San José	Complete (July 2020)	Q2 2022
Palmdale to Burbank	Q1 2022	Q2 2023
Los Angeles to Anaheim	Q4 2022	Q4 2023



# CONSTRUCTION PACKAGES

119-MILES OF CONSTRUCTION

- **CONSTRUCTION PACKAGE 1**

» 32 Miles – Northern Segment

- **CONSTRUCTION PACKAGE 2-3**

» 65 Miles – Middle Segment

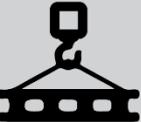
- **CONSTRUCTION PACKAGE 4**

» 22 Miles – Southern Segment



# CENTRAL VALLEY UPDATE

## CONSTRUCTION PACKAGE 1

		CP 1
	Design Completed	95.0%
	Right-Of-Way Parcels Delivered to DB	91.7%
	Utility Relocation	59.5%
	Structures Complete/In Progress	79.0%
	Miles of Guideway Complete/In Progress	50.0%
	Overall Contract	66.0%



Tulare Street Underpass



# CENTRAL VALLEY UPDATE

## CONSTRUCTION PACKAGE 2-3

### CP 2-3



Design Completed 97.2%



Right-Of-Way Parcels  
Delivered to DB 85.3%



Utility Relocation 58.5%



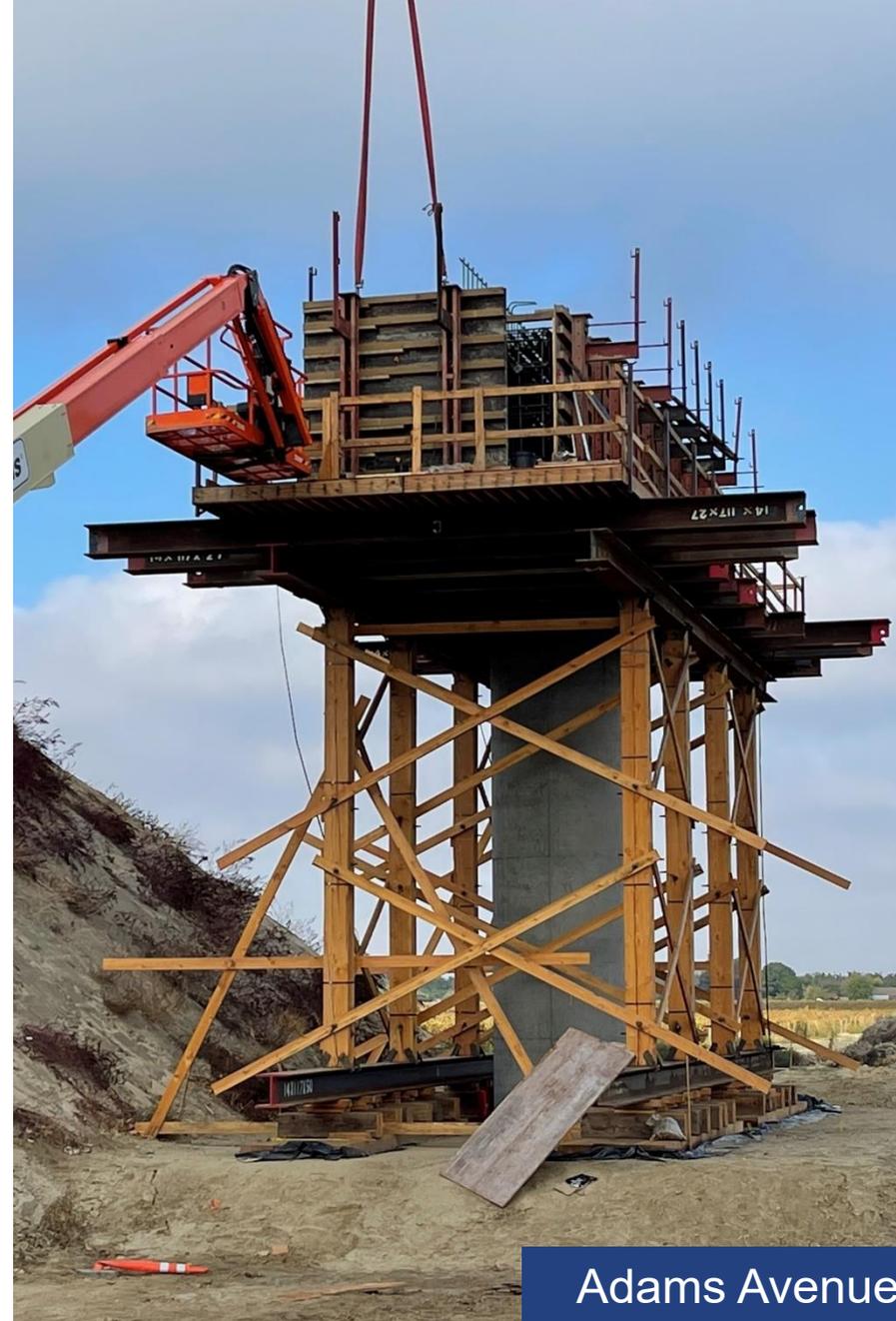
Structures  
Complete/In Progress 59.2%



Miles of Guideway  
Complete/In Progress 73.8%



Overall Contract 67.0%



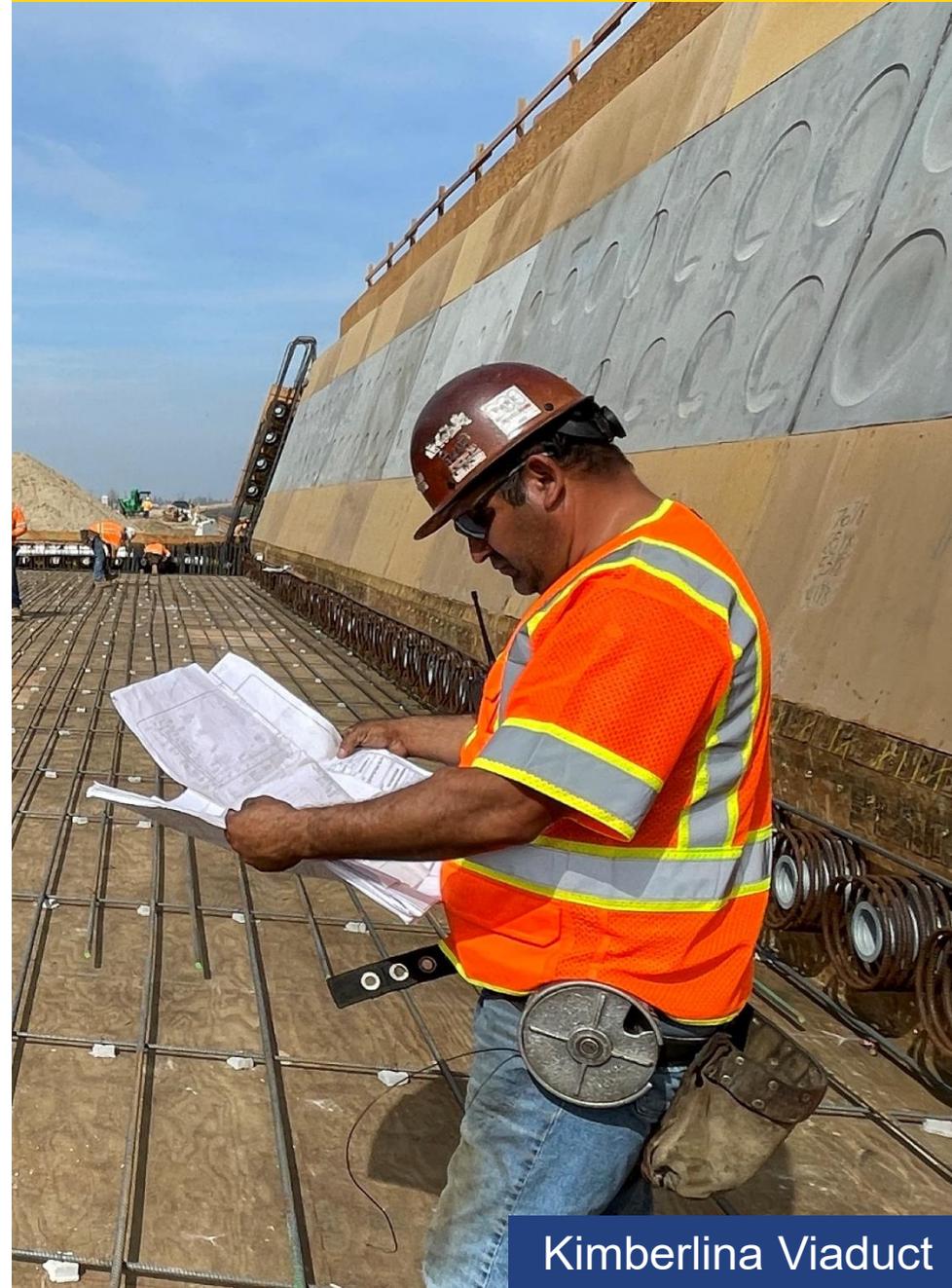
Adams Avenue



# CENTRAL VALLEY UPDATE

## CONSTRUCTION PACKAGE 4

		CP 4
	Design Completed	100%
	Right-Of-Way Parcels Delivered to DB	81.8%
	Utility Relocation	83.7%
	Structures Complete/In Progress	91.7%
	Miles of Guideway Complete/In Progress	97.5%
	Overall Contract	73.2%



Kimberlina Viaduct



# DRAFT 2022 BUSINESS PLAN

## WHAT IS AHEAD

- **With State Funds and New Federal Funds from the Bipartisan Infrastructure Bill, the Authority will work to:**
  - » Deliver an electrified, two-track initial operating segment connecting Merced, Fresno and Bakersfield as soon as possible
  - » Invest statewide to advance engineering and design work as every project section is environmentally cleared
  - » Leverage new federal and **state funds** for targeted statewide investments, particularly in shared corridors in the Bay Area and Los Angeles Basin
  - » Advance a longer-term funding strategy to extend high-speed rail beyond the Central Valley to the Bay Area as soon as possible



# CALIFORNIA HIGH-SPEED RAIL: PROGRAM DELIVERY SUPPORT CONTRACT

Small Business Program Overview

Catrina Blair, MBA

Chief of Process & Program Development Branch

Small Business Program

[SBAdvocate@hsr.ca.gov](mailto:SBAdvocate@hsr.ca.gov)



# SMALL BUSINESS PROGRAM



- **30% Goal for Small Business Participation**
  - » 10% Disadvantaged Business Enterprises (DBE)
  - » 3% Disabled Veteran Business Enterprises (DVBE)



# COMMITMENT TO DIVERSE SMALL BUSINESSES

- **Certifications That Count Toward the Overall Goal:**

- » **California Department of General Services**

- » Small & Micro Businesses (SB / MB)
- » Disabled Veteran Business Enterprises (DVBE)
- » Small Business for Public Works (SB-PW)

- » **California Unified Certification Program**

- » Disadvantaged Business Enterprises (DBE)

- » **US Small Business Administration**

- » 8(a) Disadvantaged Business Program



# CONNECT HSR: HIGH-SPEED RAIL VENDOR REGISTRY

- **Free Online Tool to Connect with Business Opportunities**
- **Open to All Businesses, Both Large & Small**
- **Describe Your Business:**
  - » Type of Business
  - » Services Offered or Supplies Sold
  - » Service Counties
  - » Certifications
- **Learn About:**
  - » Future Contracting Opportunities
  - » Trainings/Workshops
- **Register at [www.connecthsr.com](http://www.connecthsr.com)**
- **All State Contracts are Advertised Through:**  
<https://caleprocure.ca.gov>



# CALIFORNIA HIGH-SPEED RAIL: PROGRAM DELIVERY SUPPORT CONTRACT

Program Delivery Support Procurement Overview

Darin Kishiyama

Director of Contract Management



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

### **Key Authority objectives for Program Delivery Support contract:**

- Assign appropriate roles for state staff and Program Delivery Support (PDS) staff.
  - Consistent with the Authority's "Form-to-Function" review, ensure state staff and PDS staff are assigned appropriate roles and responsibilities.
  - State staff have been augmented over time to assume some roles previously performed by the current RDP.
- Reduce the number of layers/interfaces between different consultants and Authority over time.
  - The new PDS contract would include additional, optional, scope of services to provide Project and Construction Management (PCM) services for civil works.
- Scope of services to be provided under separate contracts or by state staff include: finance, leadership, information technology services, planning and sustainability, strategic communication and special projects, rail and operations delivery, safety and security specific to operations, and construction management services for track and systems and trainsets.



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

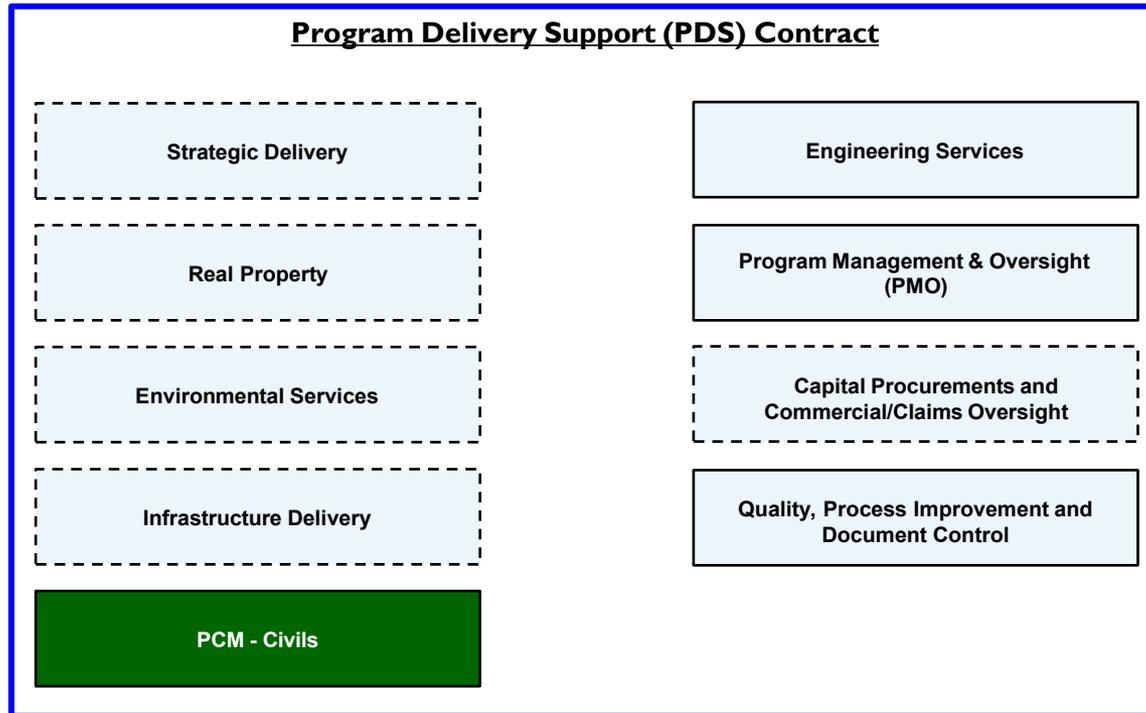
### **The Program Delivery Support consultant will be:**

- Be accountable for day-to-day responsibility of its resources while supporting the Authority in a variety of functions;
- Be accountable for its activities and deliverables through performance measurements, using a fee-at-risk approach;
- Ensure coordination of design, construction and commissioning on multiple segments that will be delivered through a range of delivery models and on overlapping timeframes;
- Advise on key delivery strategies; supporting or conducting risk assessment and cost-benefit analyses in support of the Authority's determination of the delivery strategy; and
- Ensure all deliverables and Work meet the quality requirements for high-speed rail program needs, schedules, technical requirements, policies, and procedures and satisfy all legal or regulatory requirements.



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY



**PDS Contract Structure**

**Extended Transition for Key Activities<sup>3</sup>**

**Potential Future Scope Items**

1. Finance, Leadership, and Information Technology contracts to be shifted to State staff and no longer provided by consultants.
2. Planning & Sustainability, Rail Operations and Strategic Communications & Special Projects contracts to be procured in the future, separate from the structures identified above.
3. Delayed transition scope elements identified to be transferred at a later date but to remain with the RDP in the interim.



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

### Contract Term and Cost

- Contract term of four years with options to extend.
- The contract value of the four-year contract is approximately \$400 million. This includes the revised scope areas and performance regime.
- This is a qualifications-based procurement; the actual contract amount will be negotiated and a recommendation presented to the Board.
- Small business, Disadvantaged Business Enterprise (DBE), and Disabled Veteran Business Enterprise (DVBE) utilization goals are also included in the requirements
  - 30% Small Business utilization goal, inclusive of 10% DBE utilization goal and 3% DVBE utilization goal



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

### Performance Regime

- The Agreement will include a performance-based fee in order to align the PDS Consultant's performance with the Authority's performance objectives.
- This performance regime will be up to 5% of the contract cost, or up to \$20M.
- The Total Performance Based Fee Pool will represent the maximum at risk fee the Consultant can earn.
- These milestones, deliverables, and the allocation of Performance Based Fee weighting will be reflected in work plans.



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

### Evaluation

- In addition to the traditional qualification-based submittals, the Authority will also be evaluating teams based on criteria described in RFQ.
- Pre-bid audits will be conducted concurrently with negotiations prior to execution.
- Environmental, social and governance (ESG) efforts, which may include any environmental sustainability efforts, socio-economic equity policies, and governance policies, or a report will be incorporated as a pass/fail requirement in the RFQ.
  - Offerors shall provide information on their ESG efforts which may include any efforts, policies, or reports



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

Activity	Date
Statement of Qualifications Due	May 17, 2022
Anticipated Notice of Proposed Award Released	June 2022
Board Meeting	August 2022
Contract Execution and Notice to Proceed	August 2022



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

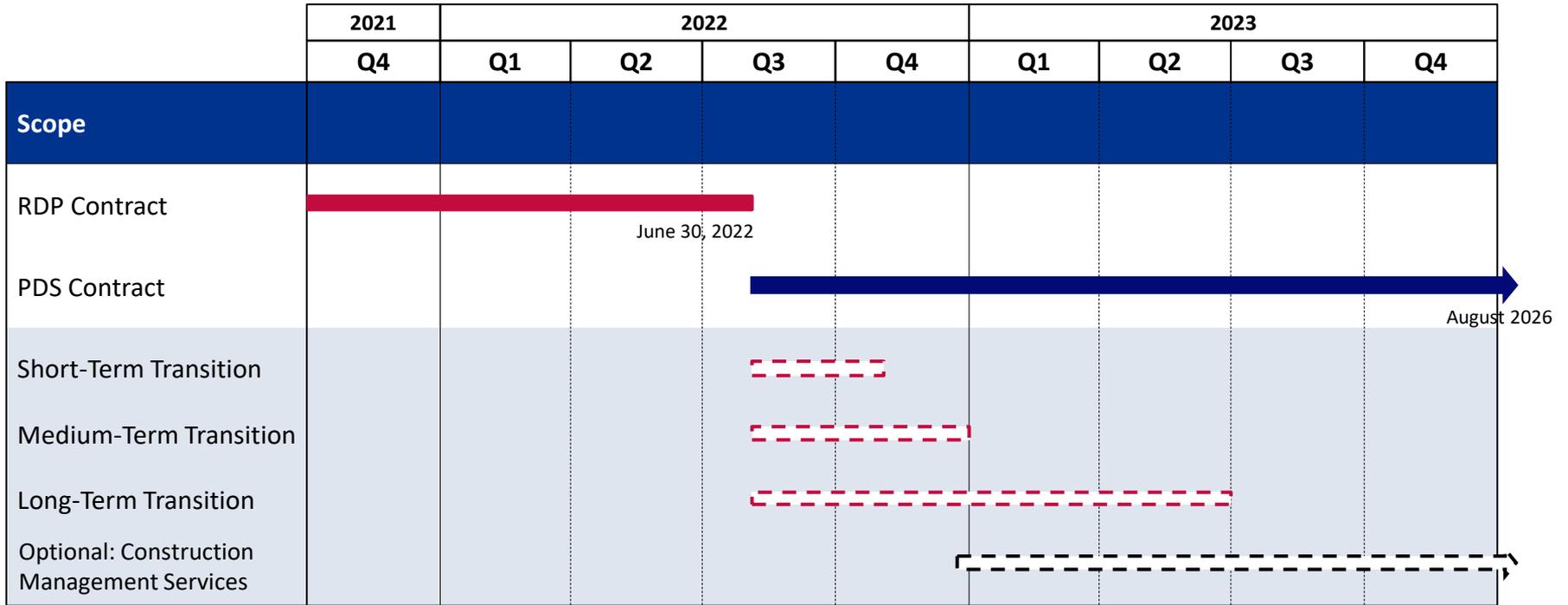
RDP Contract	Short-Term Transition (up to 3 months)	Medium-Term Transition (4 to 5 months)	Long-Term Transition (10 to 11 months)	PDS Optional
Scope	Quality, Process Improvement and Document Control	Strategic Delivery	Infrastructure Delivery and Commercial/Claims Oversight	Construction Management Services
	Engineering Services	Environmental Services	Rail and Operations <sup>1</sup>	
	Program Management Oversight	Real Property		
	Capital Procurements	Planning and Sustainability <sup>1</sup>		

1. Scope to be transitioned separately to a non-PDS vendor, transition will depend on the procurement timelines.



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY



Legend	
	RDP Contract
	RDP Contract Extended Scope
	PDS Contract
	Optional PCM Transition

Notes:

- Transitions are being discussed.
- Optional PDS Scope for Construction Management (CM) Services start date yet to be determined.



# PROGRAM DELIVERY SUPPORT

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

### Questions and Resources

- Written questions regarding the procurement can be emailed to: [PDS@hsr.ca.gov](mailto:PDS@hsr.ca.gov)
- Answers to questions and any RFQ updates will be posted to Cal eProcure.
- PDS Procurement Webpage:
  - <https://hsr.ca.gov/business-opportunities/contractors/program-delivery-support/>
  - Can be found by going to:
    - [hsr.ca.gov](https://hsr.ca.gov)
    - Select: Business Opportunities
    - Listed under: Contractors
- Registration list and PPT will be posted to the Webpage



About Programs High-Speed Rail in California Business Opportunities Jobs Communications & Outreach Search



### Business Opportunities

California's high-speed rail program offers numerous contracting opportunities across a broad spectrum of services and materials. The Authority also maintains a 30 percent small business participation goal, and those businesses are playing a major role in building the program.



#### GENERAL INFO

- [Community Benefits Agreement](#)
- [Cal eProcure](#)
- [National Competitive Bid Recovery Act Reporting](#)
- [Organizational Conflict Of Interest Policy](#)
- [Unsolicited Proposal Procedures](#)

#### SMALL BUSINESS PROGRAM

- [Overview](#)
- [Get Connected](#)
- [ConnectHSR - Vendor Registration](#)
- [ConnectHSR - Vendor Search](#)
- [Policy & Program Plan](#)
- [Business Advisory Council](#)
- [Info Center](#)
- [Newsletter](#)
- [Small Business Escalation Form](#)

#### CONTRACTORS

- [Contracts Out for Bid](#)
- [Design-Build Construction Packages](#)
- [Design Services for Historic Fresno Station](#)
- [Program Delivery Support](#)
- [Track & Systems](#)



# CALIFORNIA HIGH-SPEED RAIL: PROGRAM DELIVERY SUPPORT CONTRACT

Organizational Conflict of Interest Policy

Tawnya Southern

Attorney IV, California High-Speed Rail Authority's  
Legal Office



# WHY IS AN ORGANIZATIONAL CONFLICT OF INTEREST (OCOI) POLICY NECESSARY?

- **As the U.S. Supreme Court explained in the context of a federal conflict of interest statute, conflict of interest rules are:**
  - » “...directed not only at dishonor, but also at conduct that tempts dishonor. This broad proscription embodies a recognition of the fact that an impairment of impartial judgment can occur in even the most well-meaning men when their personal economic interests are affected by the business they transact on behalf of the Government.” (United States v. Mississippi Valley Co. (1961) 364 U.S. 520, 549, 81 S.Ct. 294, 5 L.Ed.2d 268, **emphasis added**)
- **The OCOI Policy:**
  - » Fulfills the Authority’s federal grant agreement obligations, which require procedures for identifying and preventing real and apparent organizational conflicts of interest
  - » Complies with state and federal law, including procurement laws, regulations, court and administrative decisions, and best practices
  - » Ensures a fair and transparent procurement process, maximizes competition and minimizes exposure to bid protests and litigation



# OCOI POLICY DEFINITION

## CALIFORNIA HIGH-SPEED RAIL

An “Organizational Conflict of Interest” is defined as:

*“...a circumstance arising out of a Contractor’s existing or past activities, business or financial interests, familial relationships, contractual relationships, and/or organizational structure (i.e., parent entities, subsidiaries, Affiliates, etc.) that results or would result in:*

- impairment or potential impairment of a Contractor’s ability to render impartial assistance or advice to the Authority or of its objectivity in performing work for Authority*
- an unfair competitive advantage for any Contractor bidding or proposing on an Authority procurement, or*
- a perception or appearance of impropriety with respect to any of the Authority’s procurements or contracts or a perception or appearance of unfair competitive advantage with respect to a procurement by the Authority (regardless of whether any such perception is accurate).”*



# ORGANIZATIONAL CONFLICTS OF INTEREST

## CALIFORNIA HIGH-SPEED RAIL

- **Two general situations in which an organizational conflict of interest will be found to exist for a contractor:**
  1. A contractor has an unfair competitive advantage
    - Example: A contractor has inside or non-public information about a procurement
    - Example: A contractor provides services related to a procurement and then bids on it
  2. A contractor's objectivity in performing its contractual obligations for the Authority would be compromised such that it could not provide impartial assistance
    - Example: A contractor on Contract A is in a position to oversee its own work on Contract B and mitigation is not possible
- **Courts are very deferential to public agency decisions on OCOs unless the agency acted in an arbitrary or capricious manner, abused its discretion, or acted illegally**



# THE POLICY HAS NECESSARY FLEXIBILITY

## CALIFORNIA HIGH-SPEED RAIL

- **The Policy states that “the Authority recognizes that its goals must be balanced against the need to not unnecessarily restrict the pool of potential proposers or bidders available to participate in Authority procurements and contracts.”**
- **If a potential conflict is recognized, the Policy requires consideration of numerous factors to determine whether the contractor may participate in the contract and whether any mitigation or safeguards may be implemented to permit participation despite a conflict.**
- **Such safeguards are commonly applied to allow participation and include measures like ethical walls and release of work product.**
- **Contractors are generally not “conflicted” out simply because they’ve done prior work on the Project.**
- **Many contractors do work on several different areas of the Project under separate contracts. The vast majority of OCOI determinations find that a contractor may participate in the desired procurement and/or contract.**



# HOW TO REQUEST AN OCOI DETERMINATION

## CALIFORNIA HIGH-SPEED RAIL

- **Requests for Organizational Conflict of Interest determinations should be submitted to the Authority's Chief Counsel, Alicia Fowler, at [Legal@hsr.ca.gov](mailto:Legal@hsr.ca.gov), referencing the Program Delivery Support RFQ No. HSR21-17**
- **The Authority's OCOI determination process includes the following steps:**
  - » After the request is received, an investigation and analysis, including potential mitigation options, is performed by the attorneys
    - The requestor will often be asked for additional information and/or documents necessary for the OCOI determination
  - » After the analysis is completed, the Chief Counsel makes the final determination and informs the requestor by letter, which discusses the relevant facts and applicable Policy provisions
  - » A requestor who does not agree with an OCOI determination, may contact the Chief Counsel to raise additional relevant facts and information



# PROCUREMENT PROCESS DETAILS

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- **Organizational Conflict of Interest Questions:**
  - » [Legal@hsr.ca.gov](mailto:Legal@hsr.ca.gov)

**REMINDER: Small Business Informational Workshop will begin at 1:00pm via this same Zoom link**

